Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Rules and Policies Concerning	)	MM Docket No. 01-317
Multiple Ownership of Radio	)	
Broadcast Stations in Local	)	
Markets	)	
	)	
Definition of Radio Markets	)	MM Docket No. 00-244

Comments of James L. Reese
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I am James L. Reese of Austin, Texas. I am a professional broadcast engineer working for a large radio company. These comments are my own. I do not speak for my company.

I spent most of my adult life working in broadcasting. I got my first job more than 20 years ago at a small family-owned radio station in east Texas. I was 15 years old at the time. In the last ten years, the radio stations I work for have been sold to seven different companies.

The Commission requested comment in these petitions as to the public interest impact of the relaxation of ownership limits since 1996. I believe the relaxation of ownership limits and the resulting consolidation of ownership is destroying the broadcast industry's ability to serve the public interest.

The Commission's petition describes the environment in broadcasting prior to the relaxation of ownership rules. The rationale given in 1938 for restricting station ownership is still valid today. Multiple stations in the same market owned by one company still do not compete with each other. They still preclude competitive stations from entering the market. They still reduce diversity of ownership. They still narrow the breadth of editorial opinion available to the public. In short, all the reasons historically used to limit the ownership of broadcast properties are just as valid today as they ever were. The only thing that has changed is the legislative environment.

The 1996 telecommunications act was one of the most insidious pieces of broadcast legislation to ever come out of the United States Congress. With the stroke of a pen, almost sixty years of effective Commission oversight was swept away, with disastrous results for the public interest.

Consolidation created several extremely large broadcast companies. These companies have been very successful financially. Each merger and acquisition enriched the large broadcasters at the expense of the public interest. Protecting the public interest is why the Commission exists. Your decisions should always place the public interest above the profits of the broadcast companies. If the public interest and the broadcast owners' financial success can both benefit from the Commission's actions, so be it. However, if a choice is required, the public interest must prevail.

Ownership limits protect the public interest in two ways. At the local level, they prevent three or four companies from owning all the radio stations in a given city. At the national level, they insure that different companies own stations in different cities. At it stands today, not only is there little competition at the local level, but the lack of national ownership limits has driven the radio owners to increase profits through "economy of scale" methods such as the massive use of automation. Programming on commercial radio has become homogenized. If you travel across the country, you hear the same programs presented in the same way, in many cases with the same announcers.

My engineering background exposes me to parts of the broadcast station not seen or clearly understood by most listeners. I venture that many listeners do not realize that much of the programming they hear on radio does not originate from their local station. Indeed, in many smaller markets, there is no studio from which to originate programming. Modern automation systems enable radio companies to operate hundreds of small market stations from a single point without the listeners knowing no one is at the radio station. Even in larger markets, some dayparts are run on automation. Many listeners in the city where I live would be surprised that from 7PM to 5AM each day, there is no live person on the air on any of our radio stations. With the exception of a single overnight operator who watches over the equipment, the studios are dark and empty. Should a national emergency such as the terrorist attacks of September 11, 2001 occur during the night, no one would know it happened because no one could take control of the station and tell them!

Consolidation also reduced or eliminated news and public affairs programming on many commercial radio stations. The example of September 11, 2001 is a good one to examine. It shows why, in a consolidated world, broadcasters (at least the ones I work for) were unprepared. The September 11 attack occurred during morning drive. This is one of the few times of day when radio stations have a live person at the studio. As our announcers watched on television it was obvious the attack was a nationally significant event. The only news programming available to us was satellite network news. We ran satellite news feeds from ABC and FOX on all six stations we own. We had no choice. There was no news department!

Had this example been in a smaller market, what would have happened?

With no one at the radio station to go on the air live, listeners would hear the normal music and commercials until someone intervened from far away. Unless the President activates EAS, the computers that run the show do what they've been told. How is the public interest served by this? This is how commercial radio is run today. This is the result of removing the ownership limits.

The Commission's petition asks commentors to examine the impact of ownership limits on diversity. It is clear that Congress intended to reduce the number of station owners by instructing the Commission to eliminate ownership limits. The Commission's own study shows a decrease of 25% in the number of national owners and a 22% decrease in the number of local owners. How can anyone argue this to be good with respect to diversity? If the Commission is truly interested in increasing competition, diversity and breadth of opinion, eliminating the ownership limits would seem the least effective method to accomplish these goals.

There is but a single group that benefits from eliminating ownership limits: Large broadcasters.

Diversity of ownership should not only apply to current owners. Public interest consideration must also include *access* to broadcast spectrum by potential owners. The status quo fails here also. As ownership consolidated, station prices increased to obscene levels. The price of even small stations with little or no audience reached levels that precluded all but wealthy potential owners from purchasing them. There are few new stations possible in most population centers, even with the new LPFM rules. Without effective ownership limits, there will be few new owners in the future.

Finally, the Commission must find broader methods of gauging success than simply looking at financial statements. Reality dictates that commercial broadcasters must make money to survive, but making money shouldn't overshadow broadcasters' public service obligations. In order to better serve the public interest, the Commission must stop making regulation to suit the needs of commercial broadcasters. Financial concerns must cease to be the sole measure of success, and become only one aspect of that measurement.

So, what is to be done?

To begin with, the Commission must admit that the current regulatory environment has been a disaster for the public interest and cannot continue. The language of the 1996 Telecommunications Act makes it clear Congress does not intend for the Commission to do this, and it will take courage and conviction to accomplish the task.

The Commission must adopt reasonable ownership limits for all broadcast services. These limits must significantly reduce the number of licenses that can be held by any one company from that which is allowed today. These ownership limits must address both multiple license ownership within a single market as well as nationwide. The Commission must find a balance that both protects the public interest while continuing to provide an environment where commercial stations can turn a profit. I suggest a local limit of three (3) FM and two (2) AM stations in a single market, unless that cap exceeds more than 15% of the total stations licensed to that market. I further suggest a total ownership cap of 500 licenses nationwide.

In addition to absolute limits on the number of stations, the Commission must find a way to better consider the owner's relationship to the community. The current license renewal process is severely skewed toward the licensee. There must be an *effective* way for the citizens within the community of license to influence the license renewal process. The current process is woefully inadequate, with little weight being given to citizen comments.

As it stands now, distant corporations are allowed to control station programming for communities where the owners have never lived or even visited. Programming on these stations is determined strictly by profit motives with no consideration for what might best serve that community. An effective citizen review during the license renewal process would make station owners accountable.

The widespread use of automation is another area the Commission should review. Large companies use automation to decrease their labor costs. This has many negative effects. First, station programming is not responsive to local community needs. In cases where automation is heavily used, advertising revenue alone determines how programming decisions are made. Large national advertisers have more influence over programming than local ones, and in many cases, local advertisers are unable to compete in this arena. Small local businesses have no broadcast media outlet they can afford. Second, the use of automation reduces opportunities for people wanting to work in the broadcast field. The use of automation in small markets has eliminated the "farm league" for training announcers, salespeople, programmers, and engineers. As many broadcast workers are forced out of the industry by consolidation, there are few qualified people to fill the few positions that come available at the larger companies. Third, the use of automation produces bland, homogenized programming. This is necessary in order to make the automation "sound real" on the air. There is little innovative programming on radio today, and this is especially true in small markets. Finally, the use of automation is deceptive to the listener. Few listeners know just how widespread the use of automation has become. Modern automation systems sound very convincing. When the systems work properly, it is almost impossible to distinguish automation from a live announcer. A radio station should be more than a computerized juke box, and computer programs certainly can't provide the public with timely information in the event of an emergency.

The Commission should adopt rules restricting how much of the broadcast day can be automated, or at the very least, require records in the public file documenting the times when the station is automated versus live. The public will then be able to comment on this at license renewal time.

These ideas do not represent a complete solution to the problems presented by consolidation, only what I consider to be a good start.

Respectfully submitted,

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